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## THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

19 September 1980

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

THROUGH : Deputy Director for National Foreign Assessment

National Intelligence Officer for Warning

FROM : John H. Holdridge

National Intelligence Officer for East Asia

SUBJECT : Warning Assessment: East Asia

The following items were discussed by the Community Representatives at the 17 September Warning Meeting.

## Korea

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1. Analysts generally agreed that the imposition sentence on Kim Tae-chung poses a serious dilemna Tu-hwan and has important implications for the stal government. If Chon ultimately commute the sentence after a period of still must cope with international reaction to the making a decision on the case Chon must also take some of his strongest military supporters are oppositive others in the senior military and political that it was in Korea's long term interest, particuto the US, to keep Kim alive. Chon will be making same time he is attempting to consolidate his political or redirect the military's role in the running of the nation forward on an ambitious political schedule a Constitutional referendum next month and ultimate year. Analysts pointed out that it took Pak Chongto complete a similar schedule.	for President Chon 25X1 cility of his is prepared to judicial review, he sentencing. In into account that sed to commutation ranks feel strongly larly with regard his decision at the tical power, reduce the country, and move ule which includes ely elections next
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2. It is generally believed that Chon will not face an upsurge in popular dissatisfaction as a result of the verdict in the Kim Tae-chung case. Kim's position in Korean society had weakened considerably even before the riots in mid-May and the regime has skillfully exploited his alleged connections with subversive elements. While some students at the recently reopened universities might be inclined to support Kim the still tight security will keep them under control. Opposition politicians are not inclined to take up Kim's cause.

- 3. Chon could face significant difficulties as a result of heightened US or Japanese reaction. Tokyo has made it clear that it will take strong measures if the verdict in the case deals explicitly with Kim's activities in Japan prior to 1973. Tokyo will view inclusion of such data as a direct violation of the political settlement of the Kim Tae-ching kidnapping. Otherwise, the Japanese will take their lead from the US in the matter.
- 4. US reaction will be Chon's central foreign policy concern. He is well aware of the US position on the issue and undoubtedly anticipates strong public statements. US actions in the economic or military sphere may not be anticipated and indeed would, from the Korean perspective, be viewed as significant demonstration of reduced US support for Chon's government and could have an adverse impact on his domestic political support.
- 5. Reaction in the North: Pyongyang's reaction to developments in the South continues to be concentrated in the diplomatic and propaganda arenas. The North has undertaken no military actions in the past several weeks that are unusual or could be interpreted as increasing the threat of intervention. Pyongyang has resumed harsh criticism of the ROK in broadcasts along the DMZ and in its media. It has also played up contacts with visiting US and Japan delegations and most recently offered a proposal for a peace treaty with the US designed to encourage division between the US and the ROK. Overall the North Korean reaction has been low keyed owing in part perhaps to increasing concentration on the Party Congress scheduled to open next month.

# **Philippines**

6. The coalescence of opposition political forces in the Philippines and the rash of recent bombings in the Manila area has heightened concerns about overall security situation and potential challenges to the Marcos Government. Evidence is lacking, however, to suggest that the recent surge of bombings represents an organized terrorist effort with clear political objectives.

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analysts generally believe that the situation may represent only a snowballing of uncoordinated activity developing in part in anticipation of the anniversary of martial law on 21 September. Marcos has greatly heightened security and the general populace seems to support such security measures. If they do not prove effective and the pattern of random violence spreads and intensifies the situation will require a much more serious evaluation. In turn, much more information on the nature and scope of the terrorist/oppositionist activity will be needed.

## China

7. Analysts generally concluded that the changes brought about by the National Peoples Congress augered well for stability in China's domestic affairs and for general consistency in Beijing's foreign policy. Particular note was made of the evidence stemming from the Congress of the persistent strains between the PLA and the Chinese Communist Party and the pragmatic recognition that problems in resource allocation are real and must be dealt with. This was not viewed as a destablizing factor but rather an evolutionary aspect of China's modernization. The failure to name a new defense minister was noted as suggesting continued difficulties in completing the realignment of the leadership.

# China-Vietnam

8. Recent statements by the Chinese suggesting a willingness to negotiate the Kampuchean situation without Vietnamese withdrawal as a prerequisite were seen largely as tactical moves and set in a context that would, in any case, be unacceptable to Hanoi. Analysts did take note, however, of what appears to be increased Chinese disaffection with the DK, and an inclination to explore the broadening of the political base opposed to the Heng Samrin Government. Beijing was not prepared to make any significant moves away from the DK in the near term. There was however a general feeling expressed that the Chinese may well begin to seek broader options after the UN vote in recognition of the declining international support of the DK. There was no indication that Beijing's military posture along the border with Vietnam had altered significantly in recent weeks or that the threat of hostilities along the border had increased.

## Kampuchea

9. Vietnam has increased its forces along the border with Thailand

Military activity 1 has, however, been relatively low partly because of the apparent Vietnamese desire to avoid any action that could complicate their efforts at the UN on Kampuchean seating issue. The augmentation on the border is seen as intended to influence Thai political attitudes as well as to

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heighten control of infiltration routes. The Vietnamese may also be attempting to preempt any attempt by the DK forces to initiate significant military activity. The Vietnamese remain in a strong position to carry out military operations inside Thailand.
10. DK forces appear to be consolidating along the northern border with Thailand in Preah Vihear province. Significant quantities of food and ammunition have been reported transiting the border in this area suggesting either that the DK are planning significant operations in this region which does not have a strong Vietnamese presence or simply that they are seeking a safe base. The DK have had some success in carrying out limited military actions in the interior including in the vicinity of Phnom Penh.
Laos
ll. There has been no significant change in the military situation in Laos. Chinese propaganda statements suggesting greater involvement in the area have not as yet been borne out by any action.
Japan
12. Bureaucratic differences and uncoordinated statements on defense matters have made the FY 1981 defense budget a particularly controversial issue in Tokyo. While the Japanese are inclined to lean in the direction of increasing defense spending in response to US pressure their domestic handling of the issue may be circumscribing their ability to do so. Assistant Secretary Komer's trip comes at a time when the Japanese will be particularly sensitive to public pressure on this issue. Prime Minister Suzuki will have the task of attempting to calm domestic concerns in statements at the forthcoming Diet and also in attempting to adjudicate between the ministries to ascertain what defense budget level can be approved.
Tu danasia
13. Recent moves by the US to increase the priority given Indonesia were regarded as very positive but analysts were skeptical as to whether the anticipated efforts would be sufficient to overcome the Indonesian Government's concern about the state of its ties with Washington. All agreed that close monitoring of the reaction to the US effort will be of considerable importance.
John H. Holdridge
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